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**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: RECONSIDERATION OF INTERPRETATION)
OF R.I. GEN. LAWS § 39-26.4-2(5)(ii)) Docket No. 5145

**Notice to Solicit Comments Regarding the Reconsideration of Interpretation of
R.I. Gen. Laws § 39-26.4-2(5)(ii):
Comments from Gravity Renewables, Inc.**

INTRODUCTION

Gravity Renewables, Inc. (Gravity) submits the following comments in response to the Notice to Solicit Comments of the Rhode Island Public Utilities Commission in Docket No. 5145.

Gravity is an investor-backed owner, operator, and developer of small hydroelectric power plants in the United States. Gravity brings long-term, cost-effective clean energy to electricity consumers, helps conserve and restore historical sites, and promotes educational and recreational opportunities in the communities it serves. Gravity currently owns or is actively coordinating the power marketing activities on multiple Rhode Island hydroelectric facilities.

Gravity is grateful that the RI PUC is requesting comments regarding the Reconsideration of Interpretation of R.I. Gen. Laws § 39-26.4-2(5)(ii). Specifically, to reconsider the Commission’s denial that more than one eligible customer accounts

which are a public entity, educational institution, hospital, nonprofit, or multi-municipal collaborative could be designated accounts for a qualifying Remote Net Metering renewable energy generator. Without a reconsideration and revision of this decision, Gravity believes that it would be highly disruptive and harmful to the renewable energy development market and the market's respective benefactors. Gravity, in particular, has invested substantially in the program and would be materially harmed if the interpretation is not reconsidered and revised. The following are justifications to support this reconsideration and replies to the Commission's requests.

COMMENTS

1. This is not the precedent being set by the current operation of the Net Metering Program

As stated in the Commission's interpretation, National Grid has been allowing an eligible net metering facility to designate electric accounts to more than one eligible customer, beyond multi-municipal collaboratives. This has been the ongoing understanding of renewable energy developers. It also is in keeping with the practicality of the program. Further, a program that allowed for net metering to multiple eligible customers at sites other than the renewable energy generator is how similar net metering programs work in other states in the Northeast region. Thus, in a case where the language is not clearly prescriptive to limit the eligible customers to one account (as the Commission originally interpreted), it is useful to use the precedent of the utilities current practice and the program rules in other, similar states to clarify this distinction.

2. Renewable energy companies and eligible customers have already invested significantly in participation in the Net Metering program based on the ability to allocate energy to multiple eligible accounts

Renewable energy developers have worked, in good faith, to pursue Net Metering arrangements based on the reasonable understanding that they could allocate to more than one eligible customer account. The process for coordinating these accounts takes many months, requires significant due diligence of by both developers and eligible customers. It also requires investment in personnel that will manage these arrangements and work in the interest of both parties. If the program rules are altered from the ongoing

precedent, these investments would be wasted resulting in the loss of economic benefit to the state and harm to both groups of organizations.

3. Without reconsideration there are many parties that would be materially harmed based on value propositions that were reliant upon the program allowing multiple eligible accounts

Renewable energy developers of all technologies eligible to participate in the Net Metering Program have created business plans based on the precedent set forth in Rhode Island to date. As such, significant capital has been invested in renewable energy generation. If the Commission does not reconsider and revise its interpretation, renewable energy companies could be left with millions of dollars of investment that cannot be recovered on merchant rates which are at historic lows. Rhode Island has seen great success with spurring investment via the Net Metering program to date. However, it is imperative that renewable energy developers be allowed to fulfill their investments to bring renewable energy into Rhode Island for years to come.

Similarly, eligible offtakers have negotiated Net Metering arrangements that are designed to bring them cost savings for up to 20 years into the future. This is an important tool for these entities that serve the public good to manage their large budgets necessary for operation. A change to the program that did not allow them to benefit could represent a significant hit to their budget that could affect the viability of these businesses in the near, medium, and long terms.

4. Economies of scale benefits eligible customers

Incentivizing economies of scale for education, social and community organizations is good practice and brings increased value to the Rhode Island institutions that strengthen our communities while attracting private investment. Multiple smaller, eligible organizations collaborating creates economies of scale, reduces transaction costs and maximizes customer value.

CONCLUSION

Gravity believes it is merited for the Commission to reconsider and revise its interpretation of R.I. Gen. Laws § 39-26.4-2(5)(ii) and allow for designation of more than one eligible account. Without doing so it would be against the current precedent of this

and similar programs, would negate significant investments made in pursuing Net Metering arrangements and would materially harm parties that have pursued long-term value propositions in good-faith. Gravity, along with many other public institutions and renewable energy developers, would be directly and materially harmed if this is not reversed. We thank you for your consideration and hope that our comments are helpful in your decision.

Dated: May 6, 2020

Respectfully submitted,

A handwritten signature in black ink that reads "Jonathan Miller". The signature is written in a cursive style with a large, sweeping initial "J".

Jonathan Miller
Director of Markets
Gravity Renewables, Inc.